

ADMINISTRATIVE - INTERNAL USE ONLY

DD/A Registry

85-1163/1

8 APR 1985

MEMORANDUM FOR: Deputy Director for Intelligence

FROM: Harry E. Fitzwater
Deputy Director for Administration

SUBJECT: Agency ADP Occupations Pay Study

REFERENCE: Memo to DDCI fm D/OP, dtd 7 Aug 84,
Subj: High-Tech Pay Schedules

50-2

Bob.

1. The Office of Personnel (OP) has completed its study of the Automated Data Processing (ADP) occupations within the Agency. This current study has reaffirmed that the Agency is basically competitive with the market place in all ADP occupational subgroups. However, two areas of concern exist. First, it was found that there are certain positions requiring personnel with specialized degrees in the computer science field who are difficult for us to recruit or retain. Second, greater pay flexibility is needed to allow Agency managers to more successfully compete with private sector managers, particularly those who are interested in our personnel because of their security clearances.

2. In the first case, while we are meeting our needs in general for ADP personnel, certain types of college graduates do tend to be beyond the range of our current salary offers; specifically, those with computer science degrees from the better schools around the country. These degree programs involve study of advanced mathematical and engineering concepts pertinent to the development of computer systems. The work in these systems analysis areas in some cases absolutely requires these types of educational backgrounds. A short-term solution to this problem is to identify and establish positions within the ADP organization which will require computer science degrees, and include these positions on the existing Physical Science Pay Schedule (GSP). This will allow Agency managers to recruit specific degrees for their positions.

3. The second problem is the lack of pay-setting flexibilities within the General Schedule which places Agency managers at a disadvantage vis-a-vis the private sector manager in rewarding top performers, or in enticing more junior employees to remain with the Agency when confronted with an immediate salary increase offered by the private sector firm. Our administrative procedures do not allow us to compete with such pay-setting flexibilities currently available in private industry. As a solution to this problem, our grade banding experimental pay system provides great flexibility in offering

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entry-level salaries, in improving managements ability to retain key people, and in enabling management to use the pay system to more effectively motivate all employees.

4. As a result of our findings in the ADP area, I plan to take the following actions:

a. Identify selected positions requiring computer science or related qualifying degrees and include them on the Physical Science Pay Schedule.

b. Develop a proposal to extend the grade banding experiment to the ADP occupations as part of the broader program to develop an alternative pay system for the Agency.

5. I would be happy to discuss any of the above with you, and I will advise you as we proceed with these actions.

[Redacted Signature Box]

Harry E. Fitzwater

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DDA/MS: [Redacted] 5April85

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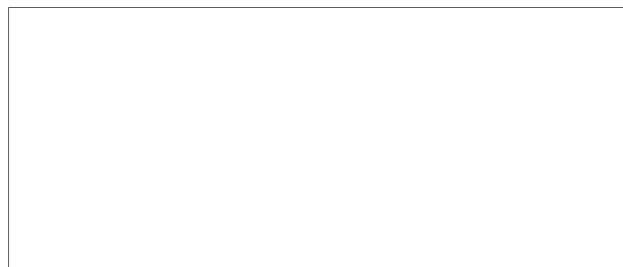
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Deputy Director
for Administration

*Ed, Ewe
20 April 85*

*Have Dean's shop
break this down
to a one pager from
me to DD1.*



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85-1013

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Agency ADP Occupations Pay Study

FROM:

Robert W. Magee
 D/OP

EXTENSION

NO.

DATE

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. EO/ DDA
 7D24 Hqs

1 APR 1985

[Signature]

2. ADOA

[Signature]

3. ODA

1 APR 1985

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DD/A Registry

APR 1 1985

85-1163

MEMORANDUM FOR: Deputy Director for Administration

FROM: Robert W. Magee
Director of Personnel

SUBJECT: Agency ADP Occupations Pay Study

REFERENCE: Memo to DDCI fm D/OP, dtd 7 Aug 84,
Subj: High-Tech Pay Schedules

1. The Office of Personnel now has completed its study of the ADP occupations within the Agency. In general, we have found that Agency pay rates are competitive with private sector organizations having large computer facilities comparable to ours; that Agency attrition from the ADP occupations is within Agency norms and is low by private sector standards; and that the Agency is successfully attracting new employees to the ADP field. There are, however, certain other problems which need to be addressed. Specifically, there are certain positions requiring personnel with specialized degrees in the computer science field which should be included on the Physical Science Pay Schedule (GSP); and greater pay flexibility is needed to allow Agency managers to more successfully compete with private sector managers, particularly those who are interested in our personnel because of their security clearances.

2. During their study of Agency pay practices in 1981 and 1982, Towers, Perrin, Forster & Crosby (TPF&C) examined pay for the ADP occupations along with all other Agency occupations and found at that time that the Agency was competitive with the marketplace in all the ADP occupational subgroups. Our current study has reaffirmed the TPF&C findings. In all areas of the ADP field our data have shown that Agency pay rates are within 95 percent (entry level computer systems analyst/programmers) and 126 percent (supervisory computer operators) of the marketplace. A detailed comparison for the various computer-related occupations is contained in attachment A, with graphic depictions of selected data in attachments B through E. These pay comparisons are based on the reported national average for corporations and government organizations having very large computer facilities.

3. Our marketplace analysis of Agency pay levels by itself is only a reflection of absolute pay levels, and becomes significant only when evaluated in terms of its success in maintaining an adequate staff of qualified employees. Our study of attrition from Agency ADP occupations to other government agencies and the private sector indicates that our current pay levels are meeting our needs in this area. Attachment F is a detailed analysis of attrition from the Agency over the past four fiscal years. The overall

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conclusion from this data is that our attrition rate is within Agency norms. For all categories of ADP occupations combined the Agency has experienced an attrition rate of 4.2 percent for separations other than retirement, completion of the term of a contract, death or those fired; and an overall attrition rate of 5.4 percent; while the overall Agency attrition rate for the same separation categories is 2.2 percent and 5.2 percent respectively. Within individual occupational categories, there are some which appear to have higher attrition rates. However, these categories have small populations where only a few separations cause large jumps in the percentage of population. For example, Computer Programmers show an attrition rate of 9.8 percent for FY84, but this represents six separations from a population of only 61. And of those six, all were in grades GS-08, GS-09 and GS-10, entry level grades for the ADP occupations.

STAT 4. Our examination of Agency recruitment experiences indicates that Agency components are meeting their requirements for people skilled in the ADP field, although this is somewhat more subjective than the evaluation of pay levels and retention data. During the period FY81 through the beginning of FY85, our on-board strength in these occupations has grown from [redacted]. In our discussions with component personnel officers, we found that in general, the components are filling their positions through a combination of internal and external recruitment. Recruitment data maintained by the Deputy Director for Employment, Office of Personnel (DDE) show that the Analytic Support Group in the Office of the Deputy Director for Intelligence (ODDI), for example, currently has in process 10 people against a requirement for four computer systems analyst/programmers. Information Management Staff (IMS) in the Directorate of Operations (DO), on the other hand, has 13 applicants in process for 26 vacancies in the computer systems analyst/programmer field. Through the combination of the external sources and internal sources including conversion of non-ADP personnel to the ADP fields as part of employee development programs, IMS and other Agency organizations are meeting their needs for ADP employees.

5. Although our study indicates that in a broad sense our pay levels for the ADP occupations should be adequate to recruit and retain a qualified work force, there are still problem areas in the management of the occupation which need to be addressed. Our pay levels are competitive with those on the outside in terms of the average levels and the ranges through which an employee can expect to move over a career. However, two significant areas are not addressed by this data. First, is the issue of the types of people being recruited. While we are meeting our needs in general for ADP personnel, certain types of college graduates tend to be beyond the range of our current

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salary offers; specifically, those with computer science degrees from the better schools around the country. These degree programs involve study of advanced mathematical and engineering concepts pertinent to the development of computer systems. In most of our ADP positions, the work being performed can be accomplished without the computer science degree. However, the work in certain computer systems analysis areas at a minimum can be performed more effectively by these types of people, and in some cases may absolutely require these types of educational backgrounds. A short-term solution to this problem is to identify and establish positions within the ADP organizations which will require computer science degrees, and include these positions on the existing Physical Scientist Pay Schedule (GSP). The computer science degree is already a qualifying degree on the GSP schedule, so all that is required is the identification of the positions requiring the computer science degree.

6. The second problem is the lack of pay-setting flexibilities within the General Schedule which places Agency managers at a disadvantage vis-a-vis the private sector manager in rewarding top performers, or in enticing more junior employees to remain with the Agency when confronted with an immediate salary increase offered by the private sector firm. As an example, if we hire a computer scientist as a GS-08 step 3 (\$21,056) our manager is able to give a step increase at the end of a year worth \$658, or give a promotion worth \$1475. The private sector manager, on the other hand, generally is not locked into any set increase schedule, and may grant increases greater than or less than that our manager may offer, based on the value of the employee to the organization and more general pay-setting guidelines. Our current administrative procedures do not allow us to compete with these flexibilities, so that when an offer with a short-term gain of \$3000 or more appears before one of our people, as we have found in exit interviews, they tend to be unimpressed with the fact that our salaries are competitive or that over the long term salary growth with the Agency will exceed that in the private sector. So we lose some of our best, and may lose more as concern about the budget deficit continues to whittle away at federal pay and benefits.

7. As a short term solution to allow Agency managers to recruit specific degrees for their positions, the GSP schedule offers a solution. This schedule mainly deals with the problem of getting people into the Agency, but we still need to do more to entice them to stay once here. As a longer-term solution to both the problem of attracting specific categories of employees and keeping them here through the formative years, we have the potential through our grade banding experimental pay system for developing greater flexibility in offering entry-level salaries, improving management's ability to retain key people and enabling management to use the pay system to more

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effectively motivate all employees. In our initial study of grade banding, the ADP occupations were considered to be a likely candidate for the next major expansion of the experiment beyond the Office of Communications (OC). We believe even more strongly as a result of our study of the ADP occupations that this is the way to go.

8. During the course of our study of the ADP occupations, we also examined problems in recruiting and retaining top computer scientists in artificial intelligence and advanced processing theory. Both the Director of the Office of Research and Development (ORD) and the Director of the Office of Information Technology (OIT) expressed concerns in this area. These specialized types of people go beyond the scope of this immediate study, but we recognize that there are serious problems in this area. Because of the relatively few positions which we have for these personnel, it will be necessary to examine them on a case-by-case basis to determine what flexibility exists within our current system. A proposal from the White House Science Council is currently under study by the Office of Management and Budget (OMB) which would allow agencies to exceed the pay cap for selected engineering and scientific personnel. We are watching this proposal, but have been advised that the current political environment will make it unlikely to get through Congress in the near future.

9. As a result of our findings in the ADP area, I plan to take the following actions:

a. Identify selected positions requiring computer science or related qualifying degrees and include them on the Physical Science Pay Schedule.

b. Develop a proposal to extend the grade banding experiment to the ADP occupations as part of the broader program to develop an alternative pay system for the Agency.

10. I will advise you as we proceed with these actions.

Robert W. Magee /

Attachments

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